

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

January 20, 2004
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Noble, and Councilmembers Balducci, Chelminiak, Davidson, and Degginger

ABSENT: Councilmember Lee

1. Executive Session

Deputy Mayor Noble opened the meeting at 6:00 p.m. and announced recess to Executive Session for approximately 15 minutes to discuss one item of labor negotiations.

The meeting resumed at 6:30 p.m. with Mayor Marshall presiding.

2. Study Session

(a) New City Building Systems Furniture Selection

City Manager Steve Sarkozy opened discussion regarding the selection of systems furniture for the New City Building. Planning and Community Development Director Matt Terry said tonight's presentation will address the following three questions: 1) Why spend money on office furniture? 2) Why talk about/spend it now? and 3) How does this decision fit within the overall budget process for the New City Building project? The purpose of tonight's discussion is to review:

- Furniture replacement recommendations,
- Systems furniture selection criteria for the New City Building,
- The product and dealership evaluation process, and
- Product and dealership recommendations.

Mr. Terry recalled that Council confirmed the preliminary project budget of \$102.4 million for the New City Building last year. The budget will be reviewed and adjusted at the end of the design development phase this spring. The budget includes \$4.2 million for new furniture and equipment, of which \$2.8 million is allocated for systems furniture. The budget assumes the redevelopment project will maximize the reuse of existing furniture and equipment where viable

and cost effective. Approximately 25 percent of all furniture needs in the new building will be met with existing furniture.

Staff plans to reuse most of the freestanding office and conference room furniture as well as existing systems furniture in good condition. Mr. Terry said the City has been replacing its 25-year-old systems furniture on a project-by-project basis. Most of the systems furniture still in use is 20 to 30 years old. Staff recommends replacing the old systems furniture because it has limited ability to accommodate technology, limits the flexibility needed for the new building's floor plates, parts and pieces are no longer available, and relocation costs are significant.

Mr. Terry said final budget approval for the systems furniture is not needed at this time. Staff is requesting Council direction to: 1) accept or modify the selection evaluation criteria, 2) accept or modify the recommended finalists for manufacturer and dealership, and 3) confirm procurement process and next steps. The selection of systems furniture at this time will assist in completing the design process for occupancy of the new building and provide more time to orient employees to the new work spaces, which will be smaller than current work spaces for most individuals.

Carla Weinheimer, Project Manager, explained that systems furniture includes panels, work surfaces, and storage elements that combine to create a flexible, open office environment adaptable to changing technology. Systems furniture is the most cost-effective and flexible way to provide office space in the building.

Ms. Weinheimer reviewed the systems furniture selection process. The first task was to define the product and dealership criteria. The review team selected for evaluation four nationally recognized manufacturers that were available from existing public agency contracts. The next step was to select the local dealerships linked to these manufacturers. The procurement process involves purchasing via a nationally recognized pre-bid public agency contract. This is standard practice for public agencies because it provides purchasing power and control over schedule and delivery.

Ms. Weinheimer noted the benefit of bringing the manufacturer on board during the planning process to provide estimating, planning, value engineering, and other services. Product criteria were identified through staff and departmental input, site visits to other installations, industry research, and the consultant's experience. The following criteria were approved by the project leadership team: 1) cost effective in both the short- and long-term, 2) systems should last for at least 25 years, 3) accommodates standardization and functionality, 4) flexibility, 5) ability to maximize floor plate efficiency, 6) durable and easy to maintain, 7) ergonomic, and 8) enduring style, color, and material.

Laurel Hill, SRG, explained that the cost of a 70 square foot workstation can range from \$2,700 to \$12,000. Bellevue's criteria can be met at an estimated cost of \$3,800 per workstation. The least expensive systems lack the flexibility and technology adaptability desired for the new building's systems furniture. The recommended workstations provide adaptability to changing technology, flexible attachment locations for panels and components, ergonomic design, flexible panel and height options, and reduced long-term ownership costs.

Ms. Hill discussed the importance of the dealership choice in selecting the systems furniture. The dealer: 1) provides assistance in project planning, estimating, and value engineering, 2) is responsible for meeting delivery and installation schedules, and 3) provides ongoing service and maintenance. Dealership criteria include years in business, experience and strength of dealer team, references, a successful track record on projects of similar size and scope, and responsiveness and accuracy of submittals. The evaluation process involved site visits to manufacturer showrooms and installations; requests for information including manufacturer and dealership evaluations, and pricing information; and a request for cost comparisons and return-on-investment reports.

Ms. Hill said the project team recommends consideration of two finalists in the selection process: 1) MBI Systems offering Ethospace products manufactured by Herman Miller, and 2) Barclay Dean offering Montage products manufactured by Steelcase. Both products meet the design criteria, have flexibility features, meet the cost of ownership goals, and offer a high investment value. Both dealers meet all dealership criteria.

Mr. Terry said Council approval of a vendor is requested on February 2. Demonstration workspaces would be constructed and displayed for employees in April as part of the departmental planning to occur during March and April. The preliminary budget will be refined in April. Detailed specifications will be developed between May 2004 and June 2005. Adoption of a purchase contract for the systems furniture is anticipated in the summer of 2005.

Mr. Terry requested Council direction tonight to:

- Accept or modify the evaluation criteria.
- Accept or modify the recommended finalists for manufacturer and dealership.
- Confirm the procurement process and next steps.

Responding to Councilmember Degginger, Mr. Terry said staff recommends selecting a systems furniture vendor now to assist in continued, cost-effective planning for the new building. Mr. Degginger is reluctant to make this commitment at this time.

Ms. Balducci noted Mr. Lee's interest in whether small businesses and local companies have been considered in the vendor selection process. Mr. Terry explained that vendors with greater size and experience provide the best potential for product delivery and achieving the best price for the product. He noted the benefit of being able to purchase from a nationwide public agency contract.

Ms. Hill noted that the manufacturers under consideration have proven track records, which is important for a project of this magnitude, and the dealerships are local.

Responding to Deputy Mayor Noble, Mr. Terry said it is likely the dealers will offer a buy-back option for the older systems furniture currently in use.

Responding to Mr. Chelminiak, Mr. Terry said cost estimates will be refined over the next six weeks. Staff recommends continuing to negotiate price with two vendors at this time. In further

response, Ms. Hill said the workstation walls can be acoustical or clear and of varying heights, depending on one's need for privacy and light.

Responding to Mr. Chelminiak, Mr. Terry said the reuse of existing systems furniture would involve relocation costs as well as the cost of relocating employees while the furniture was disassembled, moved, and reassembled.

Responding to Dr. Davidson, staff said the new building will have 800 to 850 workstations. So far 91 existing workstations/offices have been identified to be moved to the new building.

Mayor Marshall commended staff for the thorough report and meeting materials. She reminded everyone of previous advice from the project team that cost savings will be earned by keeping the project on schedule. Mr. Degginger noted Council's interest in achieving the best value for the money as well.

Mayor Marshall indicated Council consensus that staff is heading in the right direction and should proceed with refining cost estimates with both vendors.

(b) Factoria Area Transportation Study (FATS) Update

Transportation Director Goran Sparrman provided background information on the Factoria Area Transportation Study (FATS), which was completed in 1996 and identified major infrastructure projects. A 2002 Land Use Code amendment for Factoria Mall created the potential for increased development of up to 51,000 square feet of retail space and 685 housing units. There was discussion at the time about allowing an additional 100,000 square feet of retail development, but Council decided to postpone that decision to allow time to update the 1996 study. Council recommended completing the FATS Update by 2005. Staff proposes initiation of the update process at this time.

Kevin McDonald, Senior Planner, said the FATS Update will be focused primarily on the commercial and residential neighborhood adjacent to Factoria Mall. Public involvement activities will include a community questionnaire, open houses, environmental review, and discussion by the City's boards and commissions. Land use projections through 2030 will be identified. A major transportation analysis will include a look at the benefits of the 1996 FATS projects, the recently completed Eastgate/I-90 Study, the adequacy and safety of all transportation systems including pedestrian/bicycle and transit, and the development of recommendations to improve overall mobility. The final component of the study update is to review urban design and consider redevelopment to improve the pedestrian environment and transit facilities.

Reviewing the proposed project schedule, Mr. McDonald said needs and issues will be identified and studied through spring 2004. Alternatives will be developed during summer and fall 2004 and evaluated through winter 2005, when a final set of projects will be presented to the public. The CIP Plan allocates \$400,000 to the FATS Update, which will fully fund the study including public outreach, technical analysis, a final report, and early implementation of some high-priority, low-cost projects.

Mayor Marshall noted that Craig Chang, General Manager of Factoria Mall, is interested in establishing a high-capacity transit stop/station at the mall in the future. Mr. Sparrman confirmed that transit use in the Factoria area is becoming increasingly important in terms of regional transportation planning.

Responding to Mayor Marshall, Mr. Sparrman confirmed that the FATS Update will not review or reevaluate the land use amendments already adopted by Council for Factoria Mall. Deputy Mayor Noble concurred with this approach.

- ➡ Deputy Mayor Noble moved to affirm the preliminary general scope of work for the FATS Update and to direct staff to proceed with the study. Mr. Degginger seconded the motion.

Responding to Dr. Davidson, Mr. McDonald said both a Planning Commissioner and a Transportation Commissioner have been appointed to work directly with the project team and the public on the Update. A project web site will be developed by staff and information will be provided in *It's Your City*.

Mr. Degginger suggested staff provide a status report on the FATS Update after the open house scheduled for summer/fall 2004.

- ➡ The motion to affirm the preliminary general scope of work for the FATS Update and to direct staff to proceed with the study carried by a vote of 6-0.

(c) Local Transportation Improvement Program (TIP) Overview

Mr. Sparrman distributed a handout and described how the Local Transportation Improvement Program (TIP) relates to the Comprehensive Plan, Long-Range Facility Plans, Transportation Facility Plan (TFP), and Capital Investment Program (CIP) Plan. The TFP is a twelve year fully funded plan, and the CIP Plan is a funded 6 to 7 year program. The primary importance of the TIP is that in many cases local projects must be included in the TIP to be eligible for state and federal grant programs. The Washington State Department of Transportation (WSDOT) and Puget Sound Regional Council (PSRC) use local TIPs as a tool for coordinating transportation programs in local jurisdictions with regional agencies.

Responding to Mayor Marshall, Mr. Sparrman explained that the pressure on local transportation funding is increasing and some jurisdictions have little remaining resources for projects. At the same time, projects are becoming larger, more complex, and more regional in nature.

Responding to Mr. Chelminiak, Mr. Sparrman confirmed that a portion of gas tax revenues are returned to local jurisdictions for transportation projects.

Councilmember Balducci noted Regular Session Agenda Item 8(g) approving the 2004-2009 Transportation Improvement Program and questioned how the 93 projects were selected for inclusion in the plan. Mr. Sparrman said the TIP plan includes TFP and CIP projects as well as

another category of large and/or regional projects still in need of funding. The Transportation Commission reviewed the TIP plan and recommends Council adoption. If adopted by Council, the TIP will be forwarded to the Puget Sound Regional Council for incorporation into the Regional TIP. The TIP can be modified in the future on an annual basis. Mr. Sparrman said staff is working to consolidate and streamline Council approval of the CIP Plan, TFP, and TIP Plan.

Mayor Marshall thanked staff for the overview and clarification.

At 7:55 p.m., Mayor Marshall declared recess to the Regular Session.

Myrna L. Basich
City Clerk

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